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Meeting Minutes 06-27-2013

Arlington Contributory Retirement Board
Meeting Minutes for June 27, 2013
At the Town Hall Annex
Second Floor Meeting Room

Board members present: Chairman John Bilafer, Richard Keshian, Ken Steele, Ruth Lewis and Kenneth Hughes

Guest: Mr. Fran Peters and Ms. Ali Wallace of Meketa Investment Group.
Mrs. Susan Blomquist and Mrs. Ruth Dunn

Call to order Regular Monthly Meeting

Chairman Bilafer called the meeting to order at 4:30 P.M

Meketa OPEB Meeting

Mr. Peters introduced Ali Wallace who is an Assistant Vice President at Meketa who will now be the Board's contact at Meketa. As part of the presentation to the Board Mr. Peters prepared a detailed handout containing all of the various options open to the Board and highlighting past performance.

Mr. Peters spoke about the Federal Reserve's most recent comments. He highlighted the performance of the market in general from January 2013 through May 31st. Ms. Wallace then presented the Board's current asset allocation policy. The detailed analysis contained recommendations for rebalancing our portfolio. She justified embarking on new investment policies for the Board.

Mr. Hughes asked if Brazil and China were part of the emerging markets and his concerns about increasing the amount invested in these markets. Ms. Wallace responded that both China and Brazil are part of the emerging market portfolio. She indicated that her analysis concluded that based on projected population increases in those countries together with local investment in infrastructure presented favorable long term investment projections. Mr. Keshian asked what the likelihood of investment return would be if the Board maintained its current policy. Ms. Wallace indicated that the Board's current policy is projected to return 7.62% and the Board's expected return would likely be 7.75%.

Chairman Bilafer asked Ms. Wallace and Mr. Peters to explain the differences between the two options which was the basis of their recommendations to the Board.

Both Ms. Wallace and Mr. Peters recommended Policy A which achieves a 7.75 % return with the same total of 63% equity exposure and 37 % fixed income exposure as in the current policy. The increase in projected returns would be based different allocations within the fund.

The recommended policy requires separating developed and emerging international equities into two separate Vanguard funds in order to increase the allocation to emerging markets. This policy also adds short term bonds as a new asset class.

Policy B achieves the 7.75% target with but would increase the overall equity exposure to 65% and lower fixed

income to 35%.

Mr. Steele made a motion to adopt Policy A, seconded by Mr. Keshian. The motion was approved 4-1 with Mr. Hughes opposing Policy A.

Chairman Bilafer then instructed Mr. Greco to contact Treasurer Gilligan to see when the OPEB appropriation would moved to Vanguard so the rebalancing can take place.

At the conclusion of their presentations and the above action taken by the Board, Mr. Peters and Ms. Wallace left the meeting.

Ruth Dunn and Susan Blomquist

Mrs. Blomquist and Mrs. Dunn presented correspondence from Kathleen F. Donovan who was the Superintendent of the Arlington Public School stated when Mrs. Dunn was appointed September 2, 2003 as an Assistant Teacher for the Day Care. The essence of the correspondence was that it was the intent ~~for~~ that the position of Assistant Teacher for Day Care was to be permanent position.

Based on this letter and the testimony of Mrs. Blomquist and Mrs. Dunn, Mr. Steele made a motion to accepted the September 2, 2003 appointment date to be her membership ~~and~~ date and to allow Mrs. Dunn to purchase the appropriate amount of creditable service (without interest) under M. G.L. c. 32, § 20(5) (c) from September 2, 2003 to April 1, 2013 on or before August 22, 2013, seconded by Mr. Keshian. The motion was approved by unanimous vote.

Motion and vote on March and April 2013 Trial Balances

After review and discussion Ms. Lewis made a motion to approve the March and April 2013 Trial Balances, seconded by Mr. Steele. The motion was approved by unanimous vote.

Motion and vote to approve Expense Warrants 15, 16 and 17

After review and discussion Mr. Steele made a motion to approve expense Warrants 15 16 and 17 for payment, seconded by Mr. Keshian. The motion was approved by unanimous vote.

Motion and vote to approve May 2013 Minutes

After review and discussion Mr. Keshian made a motion to approve the May 2013 Minutes, seconded by Mr. Steele. The motion was approved by unanimous vote.

Motion to approve new members

After review and discussion Mr. Keshian made a motion to approve New Member Applications for Li Hsin Wu and Jeremy Brandl, seconded by Mr. Steele. The motion was approved by unanimous vote.

<u>Name</u>	<u>Date of Membership</u>	<u>Percentage</u>	<u>Position</u>
Li Hsin Wu	06/03/2013	9+2%	Network Support Technician
Jeremy Brandl	06/24/2013	9+2%	Supervisor of Custodians

Motion and vote on retirement application for Carl Proctor, Carol Kalauskas, Joseph Iannelli and Ellen Poretta.

After review and discussion Mr. Steele made a motion to approve Carl Proctor, Carol Kalauskas, Joseph Iannelli and Ellen Poretta applications for retirement, seconded by Mr. Hughes. The motion was approved by unanimous vote.

Name	DOB	Creditable Service	Group	Dept/Position	Vet Status	Retirement Option	Date
Carl Proctor	05/14/1952	34 years 5 Months	2	Community Safety/ Dispatcher	N	C	6/30/2013
Carol		15 years		School / Teacher Assistant			

Kalauskas	05/15/1945	9 Months	1		N	A	6/29/2013
Joseph Iannelli	08/09/1953	27 years 8 Months	1	AHA/ Maintenance Mechanic	N	C	8/09/2013
Ellen Poretta	08/21/1950	20 years 8 Months	1	Library /Principal Clerk & Bookkeeper	N	A	8/24/2013

Motion and vote on a rollover of accumulated deductions for Jennifer Roy in the amount of \$ \$2,585.17 Ms. Roy had 1 years and 11 months of creditable service.

After review and discussion Mr. Keshian made a motion to approve a rollover of accumulated deductions for Jennifer Roy in the amount of \$ 2,585.17, seconded by Mr. Steele. The motion was approved by unanimous vote.

Motion and vote on a rollover of accumulated deductions for Mary Megson in the amount of \$ \$8,482.76 Ms. Megson had 4 years and 5 months of creditable service.

After review and discussion Mr. Keshian made a motion to approve a rollover of accumulated deductions for Mary Megson in the amount of \$ 8,482.76, seconded by Ms. Lewis. The motion was approved by unanimous vote.

Motion and vote on a refund of accumulated deductions for Andrea Jardine in the amount of \$ \$365.41 Ms. Jardine had 4 months of creditable service.

After review and discussion Mr. Steele made a motion to approve refund of accumulated deductions for Andrea Jardine in the amount of \$ 365.41., seconded by Ms. Lewis. The motion was approved by unanimous vote.

Motion and vote on a refund of accumulated deductions for Timothy Legassey in the amount of \$ 22,389.78 Mr. Legassey had 5 years and 7 months of creditable service.

After review and discussion Mr. Hughes made a motion to approve refund of accumulated deductions for Timothy Legassey in the amount of \$22,389.78, seconded by Ms. Lewis. The motion was approved by unanimous vote.

Motion and vote on ADR application for Anthony Migananelli

Based on the application presented to the Board Mr. Steele made a motion to approve Mr. Migananelli application for Accidental Disability for the purpose of Mr. Miganelli being able to be examined by an independent medical panel, seconded Ms. Lewis. The motion was approved by unanimous vote.

Motion and vote on ADR application for Richard Paolillo

Based on the application presented to the Board Mr. Keshian made a motion to approve Mr. Paolillo application for Accidental Disability for the purpose of Mr. Paolillo being able to be examined by an independent medical panel, seconded Mr. Steele. The motion was approved by unanimous vote.

New Business

Motion and vote on Newton Cola proposal

The Board reviewed correspondence requesting support of the Newton Contributory Retirement Board advocating a change in the COLA Legislation. If the change in the COLA legislation is adopted then all retirees would be have their COLA based on the amount of \$15,000 and not just those who have retirement allowance of \$15,000 and above.

Mr. Keshian made a motion to support the legislation and to have Mr. Greco send a letter to the Public Service Community and the Newton Retirement Board expressing Arlington's support, seconded Mr. Steele. The motion was approved by unanimous vote.

Adjourn

At 6:00 PM Ms. Lewis made a motion to adjourn, seconded by Mr. Steele. The motion was approved by unanimous vote.

